

Time: 2 ½ Hours

Total Marks: 75

- N.B. 1) All question are compulsory.**
2) Figures to the right indicate full marks.

Q 1. (A) Multiple choice question (Any Eight)

08

1. Merchant bankers are _____
 (a) Merchants. (b) Banks
 (c) Neither merchants nor banks (d) Body corporate
2. _____ is regarded as the fourth element of the financial system
 (a) Financial Services. (b) Financial market
 (c) Financial Instrument (d) Financial institution
3. _____ regulates the capital market in India
 (a) SEBI (b) RBI (c) SBI (d) IRDA
4. _____ services are mainly provided to foreign investors
 (a) Custodial service (b) Financial Services
 (c) Forfeiting (d) Factoring
5. The market performance of mutual funds can be judged on the basis of _____
 (a) Net Asset Value (b) Capital Appreciation
 (c) Regular Income (d) Total Asset Value
6. Factoring as a _____ financial service
 (a) Fund Based (b) Non- fund based
 (c) both (d) None of the above
7. The merchant banker should register with _____
 (a) RBI (b) SEBI (c) Central Government (d) SBI
8. _____ was set up in July 1988 under an Act of parliament.
 (a) SBI (b) NHB (c) HDFC (d) ICICI
9. In depository system, _____ is the link between depository and the owner.
 (a) Depository participant (b) Register and transfer agent
 (c) Issuer (d) Custodian
10. DP stands for _____
 (a) Dependent Participant (b) Depository Panel
 (c) Depository Participant (d) None of the above

Q1. (B). State True or False (Any Seven)

07

1. Credit rating agencies, factoring, discount house etc. are specialized institutions
2. HUDCO stands for Housing and Urban Development Corporation.
3. Custodial service is provided to foreign investors.
4. The Merchant banking does the business of banking also.
5. Hypothecation is the opposite version of pledge.
6. RBI regulates the capital market.
7. Mutual funds unit holders have voting rights.
8. Merchant banker services come under control of RBI.
9. Forfeiting is nothing but international factoring.
10. Forward Contracts can be traded only in organized Exchanges.

- Q2. (a)** Explain the various fund based and fee- based services in brief. **08**
(b) Explain the scope of financial service. **07**

OR

- (c)** Define Merchant banking. Explain service of merchant banking in detail. **08**
(d) Distinguish between: Commercial Bank and Merchant bank. **07**

- Q3. (a)** What are the types of Mutual Fund? **08**
(b) State the advantages and disadvantages of Mutual fund. **07**

OR

- (c)** What are the various types of factoring? Explain in detail any four of them. **08**
(d) Highlight the difference between Factoring and Forfeiting. **07**

- Q4. (a)** Define 'Securitization' and explain its modus operandi in detail. **08**
(b) Why Securitization is unpopular in India? Suggest measures. **07**

OR

- (c)** What is forward contract? Explain its features in detail. **08**
(d) Define 'options' and state its types **07**

- Q5. (a)** Explain the key features of depository system in India **08**
(b) Explain the various sources of consumer finance **07**

OR

- (c) Write short notes: (Any 3)** **15**

- 1) Pledge
- 2) NSDL
- 3) Swap
- 4) Net Asset Value (NAV)
- 5) Hypothecation
